

# **Hull University Union**

**(An Exempt Charity)**

## **Report and financial statements for the year ended 31 July 2007**

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## Hull University Union Details

**These details form part of the Report of the Trustees.**

### Trustees

Period 12<sup>th</sup> June 2006 to 29<sup>th</sup> June 2007

Ciarán Norris  
Peter West-Oram  
Erica Stephenson  
Bryony Paice  
Tracey Jenner  
Alex Yarnley  
Mark Goodman  
David Morris

Period 29<sup>th</sup> June 2007 to date

Edward Marsh-Rowbotham  
Jay Webster  
Daniel Harrison  
Warwick Norris

Period 1<sup>st</sup> August 2007 to date

Duncan Batty  
David Lloyd  
Chris Sparshatt

### General Manager and Secretary to the Trustees as appointed by the Trustees

Paul Tatton

### Registered office

University House  
Cottingham Road  
HULL  
HU6 7RX

### Bankers

Barclays Bank plc  
P.O.Box 190  
3<sup>rd</sup> Floor  
6 East Parade  
Leeds  
LS1 2UX

### Solicitors

Graham & Rosen  
8 Parliament Street  
HULL  
East Yorkshire  
HU1 2BB

### Auditors

KPMG LLP  
Neville Street  
LEEDS  
LS1 4DW

### Investment Managers

Cazenove Fund Management  
12 Moorgate  
LONDON  
EC2R 6DA

Charity Registered Number:

Exempt Charity

## **Trustee Report 2006-7**

The Trustees of Hull University Union ("the Union") are pleased to present their report and audited financial statements for the year ended 31 July 2007 in compliance with current statutory requirements, the requirements of the charity's governing documents and the Statement of Recommended Practice 'Accounting and Reporting by Charities' 2005.

### Origins of the Union

The Union was first registered as a charity on 22 March 1967 and is an Exempt Charity under the 1994 Education Act. It is constituted as an unincorporated association established by trust, with trustees elected by the full membership in cross-campus elections. The Charity is deemed exempt and therefore has no registered number.

### Objectives of the Union

The Union's objectives are to:

- advance the education of students attending the University and of students elsewhere in the world and to provide any charitable purpose for the benefit of those students;
- to promote, through the agency at Student Community Action, any charitable purpose for the benefit of the Community of the City of Hull and the surrounding areas and without limiting the foregoing, to advance the activities of and relevant interests of students to effect the integration of students into their local community.

The Education Act (1994) sets out the powers and responsibilities of students' unions, and the Union must operate within these parameters.

Following the Charities Act 2006, requiring Student Unions to be registered, a Governance Review was carried out looking at best practice and guidelines from the Charity commissioners. As a result, a new Constitution was agreed by the Trustees, University Senate and Council to take effect from 1<sup>st</sup> August 2007. From that date the objectives are:-

- to advance the education of students attending the University and of students elsewhere in the world and to provide any charitable purpose for the benefit of those students;
- to promote the welfare of students attending the University through the provision of appropriate advice and guidance;
- to promote, through the agency at Student Community Action, any charitable purpose for the benefit of the Community surrounding the campuses in Hull and Scarborough. Through this we shall aim to integrate students into the local community;
- to promote sport throughout the membership and the wider community surrounding the campuses at Hull and Scarborough.

The makeup of the Board of Trustees has changed to include 4 student trustees elected by cross campus ballot for a 12 month period and 3 externally selected trustees, appointed for an initial 3 year period, with suitable professional experience.

### Investment Powers of the Union

The General Manager and Secretary to the Trustees is authorised to make short and medium term investment, consistent with the objectives of the Union stated above. Long term investments are to be made on the advice of an Investment Manager (Manager) who is regulated under the terms of the Financial Services Act 1986. The Trustees are responsible for appointing an Investment Manager. The terms of such an appointment are to:

- Inform the Manager in writing of the extent of his or her investment powers and seek his or her written acknowledgement;
- Lay down a detailed investment policy and ensure that the Manager has received a copy of the policy and understands the objectives;
- Make proper arrangements for the Manager to report regularly to the Trustees on the performance of the investments; this will normally be on a half yearly cycle;
- Subject to the provisions of the Trust document enabling the Manager to act on behalf of the Trustees in buying and selling of investments. The limits of these delegated powers are to be clearly set out and, in particular, the Manager should not have the authority to depart from the Trustees' investment policy without written approval;
- Allow the Trustees to terminate the agreement with a particular Manager who proves to be unsuitable or whose performance is unsatisfactory.

The Trustees are to carefully consider and evaluate any of the initial investment costs, any annual management fees and commission paid to the Investment Manager, to ensure that such costs are properly justified and reasonable.

Any decisions by the Trustees to invest 'ethically' by avoiding certain investments, or certain institutions, must be centred on the interests of the Union and not of the Trustees. Trustees may not exclude, to the financial detriment of the Union, a particular range or class of investments in order to give effect to some moral or political belief held by the Trustees but not directly related to the interests of the Union.

### Reserves Policy

The Trustees consider that approximately £1million should be retained as a free reserve to fund any unforeseen contingencies or liabilities which might arise as a result of any change of circumstances brought about by market forces or events outside the Union's control.

Part of these reserves are held by the investment manager (Cazenove) in accordance with the agreed strategy as outlined above. Presently these consist of equities and bonds with a market value at 31 July 2007 of £713k. Additional current assets comprising short term deposits and cash at bank of £894k less £366k additional subvention for the external stairway project results in total free reserves of £1.24 million at the year end.

### Induction and Training of Trustees

A comprehensive formal training programme is given each year to the new student Trustees:

Week 1: Handover from the outgoing student Trustees.

Weeks 2 and 3: A comprehensive programme of training covering all aspects of their role including governance, HUU Constitution, responsibilities regarding staff, investment management, risk management and services provided to the members.

Week 4 (6 weeks later): Review of earlier training, strategy development and planning for the year ahead.

The new external trustees received a full day's training in July 2007.

### Organisation of the Union

All students registered with the University of Hull are eligible to take up full membership. The right not to be a member was provided by the Education Act 1994, however no student has exercised that option this academic year. Certain categories of Associate Member are permissible in accordance with the Constitution and Bye Laws, subject to election by Council. Associate membership is for one year, renewable. One such member was elected during the year.

In the year, there were eight Trustees, who must be full members. They were elected and held office from Friday of the third week of the summer vacation. The Trustees were held accountable by Union Council, which is composed of thirty-two full members elected for one year, in semester two.

Until 1<sup>st</sup> August 2007, Council could consider any matters affecting the interests of students of the University and formulate policy on any such matters. The decision of Council is binding, subject to the proviso that such decisions are subordinate to those of a General Meeting. General Meetings can be called at the request of the Council, the Trustees, or one hundred full members. Council has the powers to appoint such Standing Committees as may from time to time be required and to elect or ratify the membership thereof.

The Trustees and Council made decisions on policy. Day to day management of the Union is delegated to staff.

As a consequence of the Governance Review, the role of Council becomes one of scrutinising the trustees' performance with Policy being determined by referenda of the membership.

### Group Structure

The Union established a wholly owned subsidiary company, HUU Services Limited, in January 2000. The Union and its subsidiary company comprise "the Group". The Union carries out the charitable activities, and the trading activities are carried out through the subsidiary company. The main activities of the trading subsidiary cover bars, the shop and games machines. Three of the Union's sabbatical officers act as company directors, and the subsidiary has a coterminous year-end of 31 July 2007.

### Review of Financial Position

A positive net movement in funds of £518,000 (2006: £55,000) was reported.

The trading subsidiary comprising retail shop, bars and fundraising entertainment activities reported a profit of £342,005. All profits of the trading subsidiary are paid over to the Union under a gift aid arrangement. The trading subsidiary also pays commercial rent and all other overhead costs to the Union.

In January 2000 an Investment Manager, Cazenove, was appointed. A range of investments is held including UK Equities, UK Bonds, Property, Alternative investments and cash holdings. Investment performance is reviewed annually in June versus the agreed benchmarks.

Trading activities – Turnover levels were slightly down versus the previous year in most of the fund generating activities, however cost control enabled most areas to achieve a reasonable surplus versus budget. There were no new areas of activity during the year.

### Risk Review

The Trustees take seriously their role in assessing the risks that face the Union. A Risk Review Group was set up and has identified and qualified potential risk factors. The review looked at the problems in a systematic way under the following headings:

- Environment
- Governance/Management
- Objects/Mission
- External
- Financial
- Human Resources
- Law/Regulation
- Operational
- Technology

The following were identified in 2007 as requiring further work to ensure our existing policies and procedures are effective and appropriate:

1. Effects of any new Charity Act on our Constitution.
2. HUSSO's work with children and vulnerable adults.
3. Changing culture and leisure activities.
4. Sports safety and outdoor pursuits.
5. Outdated facilities in University House
6. Effects of employment legislation

Action has been taken, where necessary, to mitigate identified problems. Work will continue to monitor and take action in the following areas:

1. New Noise at Work Regulations.
2. Potentially under-funded pension scheme
3. Sports safety and outdoor pursuits.
4. Outdated facilities in University House.
5. New Employment Regulation.
6. Volunteers working with children and vulnerable adults

These will be reviewed and action taken to mitigate the risks wherever and whenever appropriate.

## **REVIEW OF ACTIVITIES**

### **Overview 2006/2007**

As a result of the Charity Act 2006 and the wish to meet the requirements of the SORP 2005, there has been a significant change to the focus of the Trustees. In particular:-

- A detailed plan was agreed at the start of the year and this was made available to staff and members through notice boards and the web site
- Trustee meetings made regular reference to these plans with progress being monitored regularly
- Surveys have been carried out with staff and members to obtain feed back and direct future plans

Our mission is to be “your 1<sup>st</sup> Choice every time” in all the many varied services we provide to students and university staff. We have focussed our efforts in 7 areas - our Key Success Factors (KSF's)

- *KSF 1 To strive to be a truly democratic organisation; one where its members have influence over the facilities and services provided and can determine future events.*

### **Governance**

This is our major area of opportunity. Despite an evolving constitution, with many small changes taking place over the last 6 years, attendance, debate and questioning have reached an all time low in 2005/06. This is not just a problem at Hull but throughout much of the Student Union movement.

There has been much debate in many articles in Agenda (the AMSU magazine) and Trading News (the NUSSL magazine) about membership –v- consumerism. The changes that the Charity Act 2006 will give us an opportunity to re-focus our democratic role.

Our new Constitution has now been approved by Union Council, Senate and University Council to come into operation 1st August 2007.

### **Action**

Review and propose updated Byelaws, Standing Orders and Sabbatical Code of Conduct to be consistent with the new Constitution. To be ratified by Union Council no later than end Semester 1 2006 so that all Sabbatical candidates are familiar with the new regulations before nominations for the elections open in January.

### **Outcome**

This was completed on time.

### **External Trustees**

The new Constitution has a Board of Trustees with 3 externally selected.

**Action**

To recruit these trustees with appropriate experience.

**Outcome**

This was completed in May with the new trustees having a wide set of skills and experience. The first Board meeting was held on the 11<sup>th</sup> September 2007 and their knowledge, contribution and questioning of the student trustees confirmed a good selection had been made.

**HUSSO Student Community Action**

The Trustees have been concerned that there was a risk HUSSO SCA (a separate registered charity, though receiving the majority of its funding from HUU) could cause HUU's reputation to be brought into disrepute through its actions. After putting in place procedures for dealing with children and vulnerable adults in 2005, HUSSO SCA have now agreed to deregister and merge with HUU as soon as HUU becomes a registered charity.

**Elections**

Turnout in elections has been below expectations. A review of elections 4 years ago dispensed with Semester 1 elections and had 2 in Semester 2 in Week 5 (Sabbaticals) and Week 7 (other committee posts). This did not have the desired effect. The Week 7 elections have been totally overshadowed by week 5 sabbatical elections. As a result, many post(s) have gone unfilled and only a very poor turnout for the few posts contested. There was no campaigning by any of the candidates.

**Action**

Target turnout at 20% of student population for Sabb elections and average of 3 candidates per election (Minimum 30 candidates). Increase turnout and contested elections in week 7.

**Outcome**

Turnout was 1,383 which represents a 9% turnout. There were 25 candidates for 10 Executive positions. 4 positions were uncontested.

**Action**

A review of these elections will take place with a proposal incorporated into the constitution changes. Early thoughts are that these elections will take place electronically.

**Outcome**

The planned visit to Essex SU to pick out ideas which brought about a 20+% turnout did not take place and no changes were made. Voting was paper based. The change to our web site hosts now includes a more appropriate electronic voting system. Action to be carried over to 2007/8

**Monthly Surgeries**

**Action**

In an effort to bring sabbatical officers closer to the membership, regular surgeries will be held to enable individuals and groups to question/discuss issues.

**Outcome**

Very few were held and there were poor turnouts at those that were.

### **Making Council more effective**

#### **Action**

Review of Council required making it more interesting prior to new constitution in 2007.

#### **Outcome**

No changes proposed

### **KSF 2 To provide effective support and accurate, impartial advice to individuals and groups.**

#### **Advice Centre**

##### **Action**

Numbers visiting the Advice Centre have dropped (probably through housing queries going to the Scheme). Our focus for this planning period will be to refurbish the Third Floor of University House (along with the University) with a view to making this the "Welfare Hub" of Student Services on campus.

##### **Outcome**

Plan approved along with external staircase and on site. Planned completion spring 2008

#### **Welfare Provision at Scarborough**

##### **Action**

More support is required for welfare advice and representation in Scarborough. Proposal presented to Pro VC for funding for an extra part time advisor post.

##### **Outcome**

Funding agreed by University and advisor recruited in September 2006. It has proved difficult to share work with current University staff who are not used to Union giving impartial advice to students as we do in Hull. New way of working agreed for 2007/8.

#### **Improving our Social Responsibility**

A presentation at NUSSL Convention 2006, introduced the concept of "Social Norms" and how they could be used to influence behaviour. This looks particularly attractive for use in promoting sensible drinking.

##### **Action**

The bars will carry out an extensive training programme focussing on promoting socially responsible drinking (Best Bar None, BII Responsible Alcohol Retailing). This will be coupled with Campaigns led by VP W & E and the President to promote student behaviour in the Community (SSHH, Drink Spiking).

##### **Outcome**

Best Bar None status achieved again. A programme of drink awareness, spiking and promoting better behaviour in the surrounding areas was carried out throughout the year.

### **Crime Prevention/Reduction in and around Hull Campus**

#### **Action**

Hull Students against Crime (HUSAC) was reenergised as a result of losing regular Community Policing surgeries in University House. A number of campaigns were run to re-establish this service.

#### **Outcomes**

Lobbying police and local councillors resulted in the local Police Superintendent speaking to an open forum of students on crime fighting/prevention, the re-establishing of surgeries all be it with Community Support Officers.

Approximately £15k of funding was also secured from the Council to provide a free bottle of "Smart Water" to 880 students which enables property to be identified through a unique invisible mark.

In an effort to help the authorities quantify problems, our Advice Centre is now a recognised Hate Crime reporting centre.

### **Providing part time jobs for students**

Our Job Exchange offers a service to local employers to recruit students. Increasing numbers of students registering has put pressure on the quality of service.

#### **Action**

Increased help required for staff at busy times

#### **Outcome**

Extra funding (£15k) was obtained from Yorkshire Jobshops. 1,621 students registered for the first time bringing the total to 7,495. Ninety eight employers are registered with us and 4,569 students have visited the Job Exchange or e-mailed enquiries.

### **Health and Wellbeing**

Health and wellbeing are important to success in academic life

#### **Action**

Two Healthy Body- Healthy Minds campaigns have been run to promote mental health and healthy living. A sexual health and guidance week ran on both campuses.

### **Disability Issues**

A successful campaign was run to provide coloured paper in the library printers to help students suffering from dyslexia

*KSF 3: To represent effectively members within H.U.U, the University and the community around the University and in the National arena.*

### **Academic Representation**

#### **Action**

To improve the quality and breadth of representation

#### **Outcomes**

Training - more sessions at appropriate times saw the number of course representatives increase from 28% to 47% which represents approximately 180 students.

Partner Colleges - we have given advice about representative training to those institutions who have been increasing the level of student representation on their committees.

Full Approvals Panel - for the first time a student representative has been allowed to sit on this panel, the last stage in creating a new academic programme

Complaints Adjudication Panel - the VP Academic Representation chaired this panel at a partner college.

Mature Students - for the first time a HUU student attended the NUS Mature Students Conference and we were successful in having a motion approved relating to different ways of obtaining a degree

Academic advisors - 375 students with academic issues were represented to the University.

## **Local Community**

### **Action**

To improve our image within the Community

### **Outcomes**

Ward Forums - the University and Newlands Avenue Ward Forums were regularly attended by Sabbatical officers who were influential in putting the students' point of view to Councillors.

University and City Council Official Functions - the Union was represented at all major functions to which we were invited.

Inclusive Fitness Initiative/GP Referrals - the staff at the Sports and Fitness Centre continued to work with members of the public who are disabled or recovering from major operations in an effort to improve their quality of life. This resulted in 75 IFI registered members attending on 1,296 occasions and 30 GP referrals attending on 192 occasions.

HUSSO Student Community Action - this year 12 projects have been running on a regular basis covering a wide range of disadvantaged groups in Hull. Over 8,000 volunteer hours have been used on these projects.

## **Nationally**

Improving our influence within National Union of Students and other Universities

### **Outcomes**

The President was instrumental in forming a North East Regional grouping to represent regional views to the National Body.

The NUS is undergoing a major governance review following continuing financial deficits. HUU's General Manager has been invited to join a group to scrutinise and comment on the proposals.

Throughout the year we have given advice to many other student unions on personnel matters, building investment and website design.

*KSF 4 To encourage member participation at every level by providing:  
a wide range of opportunities in a safe environment;  
appropriate training development and recognition for skills learned and tasks achieved.*

## **Sport**

Review of Strategy - a thorough review of Sport on Campus was proposed to the University in early 2007. This resulted in a multi disciplinary team being formed to ensure all aspects of sport and well being were covered on both campuses. The final draft is now awaiting approval from the University.

Participation in Sport - the Athletic Union had x approved clubs competing last year and over 2,000 club members.

Each club has a president, team captains, a secretary and treasurer. It is difficult to estimate the number of volunteer hours put in by these students but at 2 hours per week for 24 weeks this amounts to over 10,000 hours. There is also an executive team who organise sports tours, social functions and varsity fixtures for the Athletic Union. With each committing on average 5 hours per week, this amounts to a further 800 volunteer hours per academic year.

## **Societies**

Last year we had 80 ratified societies across a wide variety of interests with over 2,500 paid up members. With presidents/chairs, secretaries, treasurers and committee members again we estimate over 7,500 volunteer hours were spent developing clubs and societies.

## **Advice Centre**

The Advice Centre's permanent staff are supported by 25 trained student volunteers who have contributed 3,000 volunteer hours in the year.

## **Scarborough**

The Scarborough Executive Committee contributes an estimate of 3,000 volunteer hours to help run the Students' Union at Scarborough. Their involvement and commitment has seen them help increase the overall participation at the campus. Societies have grown from 5 to 9 societies last year and 4 teams represented the campus in BUSA. With presidents/chairs, secretaries, treasurers and committee members we estimate over 1,500 volunteer hours were spent developing clubs and societies.

*KSF 5 To invest continually and expand our services to meet the needs of our members, to better our competitors and, at all times, to provide the best possible value for money.*

## **Food Proposition**

### **Action**

A new food strategy has been agreed with the medium term objective of providing a serve to table food offer in Sanctuary and a smoothie and juice bar in the Continental Café.

**Outcome**

Completed ready for start of Semester

**Next Phase of Millennium Makeover in University House**

**Action**

In a joint development with the University, the third floor will be developed as a welfare hub along with the installation of an external staircase.

**Outcome**

Plans agreed and investment committed and on site. Staircase to be completed before Christmas with the Welfare hub in Spring

**Extension of Keith Martin Terrace**

**Action**

To complement the existing space which has been very successful, the lower tier will be decked and a further 3 jumbrellas installed

**Outcome**

Completed for start of Semester 1 2006

**New Tills**

All of the Retail shop's tills have been replaced with touch screen and pdq terminals to speed up service.

**Website Development**

The speed of development of the internet and Web 2.0 technology made our current provision unable to benefit from this.

**Action**

Our current website hosts were approached to update there software to take account of these developments. They were unable and unwilling to make changes to their site to meet our requirements.

**Outcome**

A new website host was chosen (BAM) who have provided the appropriate functionality allowing us to make major changes to the way our website [www.hullstudent.com](http://www.hullstudent.com) looks and operates. In the latest monthly figure produced by BAM (August 2007), hullstudent.com had over 360,000 hits, more than any of the other 40+ student unions who operate with BAM.

**Internet Access**

Two recent student surveys indicated that internet access could be better across the campus, student houses and in the Union.

**Action**

Two areas were identified in the Union for the development of internet access - one on the ground floor for 20 computers accessing the University's network, one on the first floor for WiFi access using laptops.

**Outcome**

Work completed for start of Semester 1 2007

*KSF 6 To recruit, train, develop and retain staff who have the skills and aptitude appropriate to the job they undertake and also appreciate the ethos of H.U.U.*

#### **Investors in People**

##### **Action**

To gain re-accreditation in November 2006 to the changed standard.

##### **Outcome**

Achieved as planned with a very positive report from the assessor

#### **Recruitment of temporary staff**

##### **Action**

To recruit student staff for 2006/07 through talent interviews, panel interviews and group exercises using similar criteria to permanent staff recruitment.

##### **Outcome**

Three recruitment sessions have been held with over 100 staff being recruited.

*KSF 7 To improve continuously everything we do, to become - 1st choice every time.*

#### **Student Union Evaluation Initiative**

We have signed up to this new initiative which is based on the European Quality Award Framework but made relevant to Student Unions. Our aim will be to have one of the first 5 gold standards awarded.

##### **Action**

To work through the assessment criteria enabling an appropriate action plan to be in place for handover to the student officers for 2007/8.

##### **Outcomes**

Four planning meetings were held and a detailed action plan was handed over to the new team in preparation for assessment in 2008.

#### **Key Objectives for 2007/8**

##### **Participation of Membership in HUU**

Following a review of elections by the UEC it was agreed a target of 2008 voters in 2008 was a realistic target. In addition the target of all electronic elections was set, in addition sabbatical surgeries to be held a minimum of twice a semester and to be publicised.

##### **Student Union Evaluation Initiative (SUEI)**

The Union aims to perform well in the inspection in mid 2008, by achieving silver and striving for gold.

##### **Representing Students within HUU, the University and the wider community**

To increase attendance at local forums and national events, this will be achieved by greater publicising of local ward forums, and local safety forums. In addition full attendance at all NUS events such as regional and liberation conferences.

### **Scarborough**

To attempt to build a student union at Scarborough which is accessible and used by the student body.

### **Development of Student Services and Facilities**

- To complete the third floor as agreed in the millennium makeover
- To attempt to secure an agreement on the long term future of the second floor
- To move the Students Union at Scarborough to a ground floor location
- To Effectively implement the Food Strategy

### **Statement of Trustees' Responsibilities in respect of the trustees' report and the financial statements**

Under the trust deed and rules of the charity and charity law, the trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Charity law requires the trustees to prepare financial statements for each financial year.

The group and charity's financial statements are required by law to give a true and fair view of the state of affairs of the group and the charity and of the group's excess of income over expenditure for that period.

In preparing these financial statements, generally accepted accounting practice entails that the trustees:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether the financial statements comply with the trust deed and rules, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the charity will continue in business.

The trustees are required to act in accordance with the trust deed and the rules of the charity, within the framework of trust law. They are responsible for keeping proper accounting records, sufficient to disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable the trustees to ensure that, where any statements of accounts are prepared by them under section 42(1) of the Charities Act 1993, those statements of accounts comply with the requirements of regulations under that provision. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

#### **Disclosure of information to auditors**

The trustees who held office at the date of approval of this trustees' report confirm that, so far as they are each aware, there is no relevant audit information of which the charity's auditors are unaware; and each trustee has taken all the steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

The Union's Constitution currently stipulates that the Union should have some auditors as the University of Hull. The University of Hull's auditors are KPMG LLP, and they have expressed their willingness to continue in post.

On behalf of the Trustees

Edward Marsh-Rowbotham  
Chairperson

Date:

## INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF HULL UNIVERSITY UNION

We have audited the Group and Union financial statements (the 'financial statements') of Hull University Union for the year ended 31 July 2007 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Union Balance Sheets, the Consolidated Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charity's trustees as a body, in accordance with section 43 of the Charities Act 1993 and regulations made under section 44 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and auditors**

As described in the Statement of Trustees' Responsibilities on page 16, the trustees are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the trustees' report is not consistent with the financial statements, if the charity has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by

fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the group's and charity's affairs as at 31 July 2007 and of the group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with the Charities Act 1993;and
- the information given in the Trustees' Report is consistent with the financial statements.

**KPMG LLP**  
*Chartered Accountants*  
*Registered Auditor*

Date:

**Consolidated Statement of Financial Activities for the Year ended 31 July 2007**

| Income and Expenditure                                    | Notes | Unrestricted<br>2007<br>£000 | Designated<br>2007<br>£000 | Total<br>2007<br>£000 | Total<br>2006<br>£000 |
|---|-------|------------------------------|----------------------------|-----------------------|-----------------------|
| <b>Incoming resources</b>                                 |       |                              |                            |                       |                       |
| Incoming resources from generated funds                   |       |                              |                            |                       |                       |
| Voluntary income  | 2     | 1,328                        | -                          | 1,328                 | 878                   |
| Activities for generating funds                           |       |                              |                            |                       |                       |
| Trading turnover: HUU Services Limited                    | 3     | 2,314                        | -                          | 2,314                 | 2,361                 |
| Other service activities                                  | 4     | 1,066                        | -                          | 1,066                 | 1,046                 |
| Investment income   | 5     | -                            | 43                         | 43                    | 35                    |
| Incoming resources from charitable activities             |       | 593                          | -                          | 593                   | 585                   |
| <b>Total incoming resources</b>                           |       | <u>5,301</u>                 | <u>43</u>                  | <u>5,344</u>          | <u>4,905</u>          |
| <b>Resources expended</b>                                 |       |                              |                            |                       |                       |
| Cost of generating funds                                  |       |                              |                            |                       |                       |
| Fundraising trading: HUU Services Limited                 | 3     | 1,638                        | -                          | 1,638                 | 1,715                 |
| Other service activities                                  | 4     | 1,151                        | -                          | 1,151                 | 1,170                 |
| Charitable activities                                     | 6     | 1,899                        | -                          | 1,899                 | 1,863                 |
| Governance costs  | 7     | 167                          | -                          | 167                   | 154                   |
| <b>Total resources expended</b>                           |       | <u>4,855</u>                 | <u>-</u>                   | <u>4,855</u>          | <u>4,902</u>          |
| Net incoming resources before transfers                   |       | <u>446</u>                   | <u>43</u>                  | <u>489</u>            | <u>3</u>              |
| <b>Gross transfers between funds</b>                      |       |                              |                            |                       |                       |
|   |       | (236)                        | 236                        | -                     | -                     |
| Net incoming resources before recognised gains            |       | <u>210</u>                   | <u>279</u>                 | <u>489</u>            | <u>3</u>              |
| <b>Other recognised gains and losses</b>                  |       |                              |                            |                       |                       |
| Gains on investment assets and investment asset disposals |       | -                            | 29                         | 29                    | 52                    |
| <b>Net movement in funds</b>                              |       | <u>210</u>                   | <u>308</u>                 | <u>518</u>            | <u>55</u>             |
| <b>Reconciliation of funds</b>                            |       |                              |                            |                       |                       |
| Total funds brought forward                               |       | 700                          | 3,869                      | 4,569                 | 4,514                 |
| Total funds carried forward                               |       | <u>910</u>                   | <u>4,177</u>               | <u>5,087</u>          | <u>4,569</u>          |

All funds are unrestricted but the Trustees have designated £4.17m for contingency and capital projects as per the funds accounting policy.

## **Consolidated and Union balance sheets as at 31 July 2007**

|  | Notes | 2007<br>Group<br>£000 | 2007<br>Union<br>£000 | 2006<br>Group<br>£000 | 2006<br>Union<br>£000 |
|--|-------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Fixed assets</b>  |       |                       |                       |                       |                       |
| Tangible assets  | 10    | 3,480                 | 3,480                 | 3,619                 | 3,619                 |
| Investments  | 11    | 713                   | 713                   | 634                   | 634                   |
|  |       | <u>4,193</u>          | <u>4,193</u>          | <u>4,253</u>          | <u>4,253</u>          |
| <b>Current assets</b>  |       |                       |                       |                       |                       |
| Stock  |       | 97                    | 4                     | 117                   | 7                     |
| Debtors  | 12    | 133                   | 735                   | 122                   | 607                   |
| Short term deposits  | 14    | 651                   | 267                   | 348                   | 275                   |
| Cash at bank and in hand                                     | 14    | 207                   | 172                   | 140                   | 102                   |
|  |       | <u>1,088</u>          | <u>1,178</u>          | <u>727</u>            | <u>991</u>            |
| <b>Liabilities</b>   |       |                       |                       |                       |                       |
| Creditors:   |       |                       |                       |                       |                       |
| Falling due within 1 year                                    | 13    | (194)                 | (284)                 | (411)                 | (675)                 |
|  |       | <u>894</u>            | <u>894</u>            | <u>316</u>            | <u>316</u>            |
| <b>Net current assets</b>                                    |       |                       |                       |                       |                       |
|  |       | <u>5,087</u>          | <u>5,087</u>          | <u>4,569</u>          | <u>4,569</u>          |
| <b>Total assets less liabilities representing net assets</b> |       |                       |                       |                       |                       |
|  |       | <u>5,087</u>          | <u>5,087</u>          | <u>4,569</u>          | <u>4,569</u>          |
| <b>Funds</b>   |       |                       |                       |                       |                       |
| General funds  |       | 910                   | 910                   | 700                   | 700                   |
| Designated funds   |       | 4,177                 | 4,177                 | 3,869                 | 3,869                 |
| <b>Total unrestricted funds</b>                              | 15    | <u>5,087</u>          | <u>5,087</u>          | <u>4,569</u>          | <u>4,569</u>          |

All funds are unrestricted but the Trustees have designated £4.17m for contingency and capital projects as per the funds accounting policy.

These financial statements were approved by the Trustees on 29th October 2007 and were signed on their behalf by:

Edward Marsh-Rowbotham  
Trustee

Date:

**Consolidated cash flow statement for year ended 31 July 2007**

|   | Notes | 2007<br>£000 | 2006<br>£000 |
|---|-------|--------------|--------------|
| Net cash inflow from operating activities           | 14(a) | 594          | 439          |
| <b>Capital expenditure and financial investment</b> |       |              |              |
| Payments to acquire tangible fixed assets           |       | (174)        | (525)        |
| Purchase of investments                             |       | (50)         | -            |
| Proceeds from sale of investments                   |       | -            | 285          |
|   |       | <u>(224)</u> | <u>(240)</u> |
| Increase in cash and liquid resources in the year   | 14(c) | <u>370</u>   | <u>199</u>   |

## 1. **Principal Accounting Policies**

### (a) **Basis of Preparation**

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005) and applicable accounting standards.

The statement of financial activities (SOFA) and balance sheet consolidate the financial statements of the Exempt Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

### (b) **Consolidation**

The assets and liabilities of the trading subsidiary are combined with those of the Union in the consolidated balance sheet on a line by line basis.

In accordance with paragraph 397 of the Charities SORP 2005, no separate SOFA has been presented for the Charity alone. The Charity had gross income of £5,344,000 and had net incoming resources of £518,000 (2006 £55,000).

### (c) **Fund Accounting**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements. The cost of raising and administering such funds are charged against the specific fund. Investment income and gains are allocated to the appropriate fund.

### (d) **Incoming resources**

All incoming resources are included in the SOFA when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for re-sale are included as income when they are sold. Donated facilities are included at the value to the Charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers. Grant income is recognised in the year to which the award relates.

### (e) **Resources Expended**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources.

**1. Principal Accounting Policies (continued)**

Cost of generating funds are those generally incurred in services with a target objective and available to non-members. Charitable expenditure costs are those costs incurred directly in support of expenditure on the objects of the Charity. Governance costs are those incurred in connection with the administration of the Charity and compliance with constitutional and statutory requirements.

All incoming resources and resources expended are categorised as being either fund generating or direct charitable according to their source. Funding generating activities include the Sports & Fitness Centre, Nursery, Continental Café, Trading subsidiary, investment income and grants, charitable activities include the President, Finance and Democracy, Media and Communications, Welfare, Scarborough Campus, Academic Representation, Sport and Leisure, Entertainments and Administration.

**(f) Pension Scheme**

The group participates in two pension schemes providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the group. The group is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and, therefore, as required by FRS17, "retirement benefits", accounts for the schemes as if they were defined contribution schemes. As a result, the amount charged to the consolidated statement of financial activities represents the contributions payable to the schemes in respect of the accounting year.

**(g) Investments**

Investments are stated at market value at the balance sheet date.

All gains and losses are taken to the SOFA as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening market value (purchase date if later). Unrealised gains and losses are calculated as the difference between the market value at the year end and opening market value (or purchase date if later). Realised and unrealised gains are not separated in the SOFA.

**(h) Fixed Assets and Depreciation**

Tangible fixed assets are stated at cost. Depreciation is charged so as to write off cost less the estimated residual value of each asset, over the estimated useful life of the asset at rates of between 20-33%, with the exception of buildings, 2.6%.

Capital purchase items amounting to £500 or more individually are charged to fixed assets and depreciated over the life of the asset, relative to its perceived useful life.

**1. Principal Accounting Policies (continued)**

The first stage of the Millennium Makeover was completed in August 2002. Depreciation of the buildings part of the works is over 38 years, the life of the lease with extension. Fixtures and fittings for the Millennium makeover have been categorised as either major or minor and depreciation will be for 18 years or 5 years respectively.

**(i) Stock**

Stock is stated at the lower of cost and net realisable value. Where necessary provision has been made for obsolete, slow moving and defective stock.

**(i) Tax**

The Union is exempt from tax on its charitable activities.

**(k) VAT**

Irrecoverable VAT is charged to the various areas incurring the relative cost applicable to the transaction or the agreed recovery level.

**(l) Cash and liquid resources**

Cash, for the purpose of the cash flow statement, comprises cash in hand and deposits repayable on demand, less overdrafts repayable on demand.

Liquid resources are current asset investments which are disposable without curtailing or disrupting the business and are readily convertible into known amounts of cash at or close to their carrying values or traded in an active market.

## **2. Donations, Legacies and similar Incoming Resources**

### Grants:

#### University of Hull

A grant of £1,254,322 (2005/06: £820,969), is receivable from the University of Hull to enable the Union to pursue its objects. It is a substantial part of total income and the Union is dependent on its continuing receipt. £366,178 of the grant is to assist with the building of a new external stairway.

|                               | 2007<br>£000 | 2006<br>£000 |
|-------------------------------|--------------|--------------|
| University of Hull subvention | 1,254        | 821          |
| Others                        | 74           | 57           |
| Total:                        | 1,328        | 878          |

## **3. Trading Subsidiary - HUU Services Limited**

|                     | 2007<br>£000 | 2006<br>£000 |
|---------------------|--------------|--------------|
| Turnover            | 2,314        | 2,361        |
| Cost of sales       | (1,018)      | (1,081)      |
| <b>Gross profit</b> | 1,296        | 1,280        |
| Admin expenses      | (954)        | (876)        |
| <b>Net profit</b>   | 342          | 404          |

Hull University Union owns 100% of the issued share capital of HUU Services Limited.

| <b><u>Balance Sheet</u></b>                           | 2007<br>£000 | 2006<br>£000 |
|---|--------------|--------------|
| <b>Current assets</b>                                 |              |              |
| Stock   | 93           | 110          |
| Debtors   | 115          | 310          |
| Cash at bank and in hand                              | 419          | 111          |
|   | 627          | 531          |
| <b>Creditors: amounts falling due within one year</b> | (627)        | (531)        |
| <b>Net current assets</b>                             | -            | -            |
| <b>Net assets</b>                                     | -            | -            |

#### 4. Income from Other Service Activities

|                          | Café<br>2007<br>£000 | Sports<br>2007<br>£000 | Nursery<br>2007<br>£000 | Other<br>2007<br>£000 | Total<br>2007<br>£000 | Total<br>2006<br>£000 |
|--------------------------|----------------------|------------------------|-------------------------|-----------------------|-----------------------|-----------------------|
| Turnover                 | 232                  | 523                    | 229                     | 82                    | 1,066                 | 1,046                 |
| Cost of sales            | (104)                | (37)                   | -                       | (14)                  | (155)                 | (170)                 |
| <b>Gross profit</b>      | 128                  | 486                    | 229                     | 68                    | 911                   | 876                   |
| Admin expenses           | (120)                | (388)                  | (215)                   | (273)                 | (996)                 | (1,000)               |
| <b>Net profit/(loss)</b> | <b>8</b>             | <b>98</b>              | <b>14</b>               | <b>(205)</b>          | <b>(85)</b>           | <b>(124)</b>          |

#### 5. Investment Income

|                  | 2007<br>£000<br>Total | 2006<br>£000<br>Total |
|------------------|-----------------------|-----------------------|
| Contingency fund | 43                    | 35                    |

#### 6. Charitable Activity Costs

|                                 | President<br>2007<br>£000 | Finance<br>2007<br>£000 | Media<br>2007<br>£000 | Welfare<br>2007<br>£000 | Sports<br>2007<br>£000 | Academic<br>2007<br>£000 |
|---------------------------------|---------------------------|-------------------------|-----------------------|-------------------------|------------------------|--------------------------|
| Support costs                   | 20                        | 3                       | 1                     | -                       | 21                     | -                        |
| Rent                            | -                         | -                       | -                     | -                       | -                      | -                        |
| Depreciation                    | -                         | -                       | -                     | -                       | -                      | -                        |
| Staff costs                     | 7                         | 24                      | -                     | 93                      | 13                     | 3                        |
| Office expenses & running costs | 18                        | 23                      | 7                     | 20                      | 42                     | 1                        |
| Other                           | 22                        | 42                      | 6                     | 6                       | 153                    | -                        |
|                                 | <b>67</b>                 | <b>92</b>               | <b>14</b>             | <b>119</b>              | <b>229</b>             | <b>4</b>                 |

  

|                                 | Scarborough<br>2007<br>£000 | HUSSO<br>2007<br>£000 | Ents<br>2007<br>£000 | Admin<br>2007<br>£000 | Total<br>2007<br>£000 | Total<br>2006<br>£000 |
|---------------------------------|-----------------------------|-----------------------|----------------------|-----------------------|-----------------------|-----------------------|
| Support costs                   | 1                           | -                     | 9                    | 22                    | 77                    | 109                   |
| Rent                            | -                           | -                     | -                    | 146                   | 146                   | 102                   |
| Depreciation                    | -                           | -                     | -                    | 162                   | 162                   | 236                   |
| Staff costs                     | 59                          | -                     | 139                  | 488                   | 826                   | 776                   |
| Office expenses & running costs | 32                          | -                     | 100                  | 120                   | 363                   | 316                   |
| Other                           | 22                          | 24                    | 32                   | 18                    | 325                   | 324                   |
|                                 | <b>114</b>                  | <b>24</b>             | <b>280</b>           | <b>956</b>            | <b>1,899</b>          | <b>1,863</b>          |

## 7. Governance Costs

|                                   | 2007<br>£000<br>Total | 2006<br>£000<br>Total |
|-----------------------------------|-----------------------|-----------------------|
| Insurance                         | 52                    | 41                    |
| Legal fees                        | 2                     | 3                     |
| Staff costs (Trustees)            | 111                   | 106                   |
| Office expenses and running costs | -                     | 2                     |
| Other                             | 2                     | 2                     |
|                                   | <u>167</u>            | <u>154</u>            |

The audit fee is reimbursed by the University of Hull in accordance with an arrangement made, as the Union and its subsidiary are obliged to use the same auditors as the University.

## 8. Staff Costs and Trustees' Remuneration

|                         | 2007<br>£000 | 2006<br>£000 |
|-------------------------|--------------|--------------|
| Wages & salaries        | 1,714        | 1,624        |
| National insurance      | 103          | 101          |
| Pension contributions   | 97           | 93           |
| <b>Total emoluments</b> | <u>1,914</u> | <u>1,818</u> |

There are no employees with emoluments over £60,000.

|  | 2007<br>Number | 2006<br>Number |
|--|----------------|----------------|
| Average number of full time equivalent employees |                |                |
| Charitable activities                            | 8              | 8              |
| Costs of generating funds                        | 118            | 119            |
| Management and administration of the Union       | 41             | 41             |
| <b>Total:</b>                                    | <u>167</u>     | <u>168</u>     |

## 8. Staff costs and Trustees Remuneration (continued)

The Trustees received remuneration from the Union as follows:

| 2007                   | 2006                | 2007<br>£     | 2006<br>£     |
|------------------------|---------------------|---------------|---------------|
| Ciarán Norris          | Shona Lloyd         | 11,072        | 10,603        |
| Peter West-Oram        | Thomas Wormleighton | 11,072        | 10,603        |
| Erica Stephenson       | Hayley McDermott    | 11,072        | 10,603        |
| Tracey Jenner          | Deborah May         | 11,072        | 10,603        |
| Bryony Paice           | Elizabeth Bennett   | 11,072        | 10,603        |
| David Morris           | James Hunt          | 11,072        | 10,603        |
| Alex Yarnley           | Emma Moreton        | 11,072        | 10,603        |
| Mark Goodman           | Christopher Mervyn  | 11,072        | 10,603        |
|                        |                     | <u>88,576</u> | <u>84,824</u> |
| Edward Marsh-Rowbotham | Ciarán Norris       | 1,599         | 1,615         |
| Jay Webster            | Peter West-Oram     | 1,599         | 1,615         |
| Daniel Harrison        | Erica Stephenson    | 1,599         | 1,615         |
| Charlotte Hill         | Tracey Jenner       | 1,599         | 1,615         |
| Tom Metcalfe           | Bryony Paice        | 1,599         | 1,615         |
| Hannah Shooman         | David Morris        | 1,599         | 1,615         |
| Warwick Norris         | Alex Yarnley        | 1,599         | 1,615         |
|                        | Mark Goodman        |               | 1,615         |
|                        |                     | <u>11,193</u> | <u>12,920</u> |
|                        |                     | <u>99,769</u> | <u>97,744</u> |

The Trustees are remunerated in accordance with a pay scale used by the Union to pay its employees. The amount is not related to the responsibilities of the roles, as it is for other staff members, but merely to reimburse them for cost of living expenses, as they are precluded from other full time work during their period of office. They undertake full time, full year executive managerial activities. Authority for payment is by HUU Constitution, Section VII, Item 4, para 2.

| Trustee expenses | 2007<br>£  | 2006<br>£  |
|------------------|------------|------------|
| Entertaining     | 263        | 560        |
| Travel           | 85         | 324        |
|                  | <u>348</u> | <u>884</u> |

## 9. Pension Schemes

The group is a member of the Universities Superannuation Scheme (USS) providing benefits based on final pensionable pay. Because the group is unable to identify its share of the scheme assets and liabilities on a consistent and reasonable basis, as permitted by FRS17 "retirement benefits", the scheme has been accounted for, in these financial statements as if the scheme was a defined contribution scheme. At the last actuarial valuation as at 31<sup>st</sup> March 2005 the actuary identified the following:

The assets of the scheme at the valuation date were 77% of the accrued liabilities based on projected pensionable salaries with a past service deficit of £6,568 million.

## 9. Pension Schemes (continued)

The scheme is 126% funded using the MFR prescribed assumptions introduced by the Pensions Act 1995. The scheme is 110% funded in terms of the PPF regulations introduced by the Pensions Act 2004.

The contribution for the year was £36,989 (2006 - £30,080). It has been agreed that an employer contribution rate of 14% of pensionable pay will apply in future years.

The group is also a member of the University of Hull Pension and Assurance (UHPAS) providing benefits based on final pensionable pay. Because the group is unable to identify its share of the scheme assets and liabilities on a consistent and reasonable basis, as permitted by FRS17 "retirement benefits", the scheme has been accounted for, in these financial statements as if the scheme was a defined contribution scheme. UHPAS had a deficit of £13,436,000 at 31<sup>st</sup> July 2006. The contribution for the year was £77,152 (2006 - £62,800). It has been agreed that an employer contribution rate of 25.4% of pensionable pay will apply in future years.

## 10. Tangible Assets

### Group and Union

|                                    | Leasehold<br>Land &<br>Buildings<br>£000 | Asset<br>Under<br>Construction<br>£000 | Motor<br>Vehicles<br>£000 | Fixtures &<br>Equipment<br>£000 | Total<br>£000 |
|------------------------------------|--|--|---------------------------|---------------------------------|---------------|
| <b>Cost or Valuation</b>           |  |  |                           |                                 |               |
| At 1st August 2006                 | 3,039                                    | -                                      | 26                        | 2,261                           | 5,326         |
| Additions                          | 61                                       | 40                                     | -                         | 74                              | 175           |
| Disposals                          | -  | -                                      | -                         | (96)                            | (96)          |
| Transfers                          | (157)                                    | -                                      | -                         | 157                             | -             |
| <b>Balance</b>                     | <b>2,943</b>                             | <b>40</b>                              | <b>26</b>                 | <b>2,396</b>                    | <b>5,405</b>  |
| <b>Depreciation</b>                |  |  |                           |                                 |               |
| 1 August 2006                      | 348                                      | -                                      | 26                        | 1,333                           | 1,707         |
| Charge in year                     | 131                                      | -                                      | -                         | 183                             | 314           |
| On disposals                       | -  | -                                      | -                         | (96)                            | (96)          |
| Transfers                          | (20)                                     | -                                      | -                         | 20                              | -             |
| At 31 July 2007                    | 459                                      | -                                      | 26                        | 1,440                           | 1,925         |
| <b>Net book value 31 July 2007</b> | <b>2,484</b>                             | <b>40</b>                              | <b>-</b>                  | <b>956</b>                      | <b>3,480</b>  |
| Net book value 31 July 2006        | 2,691                                    | -                                      | -                         | 928                             | 3,619         |

## 11. Fixed Asset Investments

| Group and Union                          | 2007<br>£000 | 2006<br>£000 |
|--|--------------|--------------|
| Market value at 1 August 2006            | 634          | 867          |
| Additions                                | 50           | -            |
| Disposals                                | -            | (285)        |
| Realised and unrealised investment gains | 29           | 52           |
| Market value at 31 July 2007             | <u>713</u>   | <u>634</u>   |
| Historical cost at 1 August 2006         | 589          | 874          |
| Additions                                | 50           | -            |
| Disposals at cost                        | -            | (285)        |
|  | <u>639</u>   | <u>589</u>   |
| Unrealised gain                          | 74           | 45           |
| <b>Market value at 31 July 2007</b>      | <u>713</u>   | <u>634</u>   |
| UK equities                              | 381          | 351          |
| Hedge funds                              | 105          | 95           |
| Sub total                                | <u>486</u>   | <u>446</u>   |
| Property                                 | 51           | -            |
| Fixed interest                           | 176          | 188          |
|  | <u>713</u>   | <u>634</u>   |

Hull University Union hold 100% of their investments within the following Cazenove funds:

|   |            |
|---|------------|
| The income trust for charities (fixed interest)       | 176        |
| The growth trust for charities (UK equities)          | 197        |
| The equity income trust for charities (UK equities)   | 184        |
| The absolute return trust for charities (hedge funds) | 105        |
| Property  | 51         |
|   | <u>713</u> |

No individual investment represents more than 5% of the portfolio value.

### Investment in HUU Services Limited

HUU Services Limited is a wholly owned subsidiary which is registered in England and Wales. The capital and reserves of this company at 31 July 2007 amounted to £2 (2006 £2). HUU Services Limited pays all profits to Hull University Union under Gift Aid arrangements. Consequently it's retained profit for the year ended 31 July 2007 amounted to £nil (2006 £nil). See note 3 for further details.

## **12. Debtors**

|  | Group<br>2007<br>£000 | Group<br>2006<br>£000 | Union<br>2007<br>£000 | Union<br>2006<br>£000 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| Trade debtors                          | 72                    | 68                    | 69                    | 67                    |
| Amounts owed by subsidiary undertaking | -                     | -                     | 619                   | 500                   |
| Other debtors                          | 8                     | 9                     | 8                     | 9                     |
| Prepayments                            | 40                    | 32                    | 39                    | 31                    |
| Accrued income                         | 13                    | 13                    | -                     | -                     |
|  | <u>133</u>            | <u>122</u>            | <u>735</u>            | <u>607</u>            |

Loans are given to members of staff on a concessionary basis and are interest free. All are repayable within 12 months.

Profit from the subsidiary company is included in amounts owed by subsidiary undertakings and is given by Gift Aid. £342,005 (2006: £403,892).

## **13. Creditors: amounts falling due within one year**

|  | Group<br>2007<br>£000 | Group<br>2006<br>£000 | Union<br>2007<br>£000 | Union<br>2006<br>£000 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| Trade creditors                        | 100                   | 255                   | 93                    | 224                   |
| Amounts owed to subsidiary undertaking | -                     | -                     | 85                    | 286                   |
| Other creditors                        | 64                    | 98                    | 64                    | 98                    |
| VAT                                    | 15                    | 19                    | 21                    | 28                    |
| Accruals                               | 15                    | 39                    | 15                    | 39                    |
| Deferred income                        | -                     | -                     | 6                     | -                     |
|  | <u>194</u>            | <u>411</u>            | <u>284</u>            | <u>675</u>            |

## 14. Group Cash Flow Information

|  | 2007<br>£000 | 2006<br>£000 |
|--|--------------|--------------|
| <b>(a) Reconciliation of changes in resources to net inflow from operating activities:</b> |              |              |
| Net incoming resources   | 489          | 3            |
| Depreciation   | 314          | 307          |
| (Increase)/decrease in debtors   | (11)         | 35           |
| Increase/(decrease) in stock   | 20           | (19)         |
| (Decrease)/increase in creditors   | (218)        | 113          |
| Net cash inflow from operating activities  | <u>594</u>   | <u>439</u>   |
| <b>(b) Reconciliation of net cash flow to movement in net funds:</b>                       |              |              |
| Increase/(decrease) in cash in the period  | 67           | (33)         |
| Cash inflow from movement in liquid resources  | <u>303</u>   | <u>232</u>   |
| Movement in net funds for the year   | 370          | 199          |
| Net funds as at 1 <sup>st</sup> August 2006  | 488          | 289          |
| Net funds as at 31 <sup>st</sup> July 2007   | <u>858</u>   | <u>488</u>   |

|                                  | 1 <sup>st</sup> August<br>2006<br>£000 | Cash flow<br>£000 | 31 <sup>st</sup> July<br>2007<br>£000 |
|----------------------------------|--|-------------------|---------------------------------------|
| <b>(c) Analysis of net funds</b> |  |                   |                                       |
| Cash at bank and on hand         | 140                                    | 67                | 207                                   |
| Liquid resources                 | <u>348</u>                             | <u>303</u>        | <u>651</u>                            |
|                                  | <u>488</u>                             | <u>370</u>        | <u>858</u>                            |

## 15. Analysis of Movement of Group Funds

|                        | 1 August<br>2006<br>£000 | Incoming<br>£000 | Outgoing<br>£000 | Investment<br>gains/losses<br>£000 | Transfers<br>£000 | 31 July<br>2007<br>£000 |
|------------------------|--------------------------|------------------|------------------|------------------------------------|-------------------|-------------------------|
| Contingency designated | 904                      | 43               | -                | 29                                 | -                 | 976                     |
| Capital projects       | <u>2,965</u>             | -                | -                | -                                  | 236               | <u>3,201</u>            |
|                        | 3,869                    | 43               | -                | 29                                 | 236               | 4,177                   |
| General                | <u>700</u>               | <u>5,258</u>     | <u>(4,812)</u>   | -                                  | <u>(236)</u>      | <u>910</u>              |
| Total                  | <u>4,569</u>             | <u>5,301</u>     | <u>(4,812)</u>   | <u>29</u>                          | <u>-</u>          | <u>5,087</u>            |

The contingency fund is a designated fund that is maintained to protect HUU from any unforeseen circumstances. The level of the fund reflects the dependency on University funding combined with a cash intensive income stream and high credit purchasing. The balance is updated by investment income and annual investment revaluation.

The transfer between the General fund and the Capital projects fund of £236k represents depreciation for the year of £314k less acquisitions of £174k plus disposals of £96k.

## 15. Analysis of Movement of Group Funds (continued)

The capital projects fund reflects the commitment to improving the building under the terms of the lease and the improvement of student services and sport. The balance is updated by depreciation and asset acquisition/disposal.

The Trustees have decided that an amount of £976,000 being the value of investments and the balance of the Cazenove Iceberg deposit account is adequate for the Contingency fund.

## 16. Analysis of Group Net Assets between funds

The unrestricted funds of the Group are represented by the assets detailed below:

|                       | Fixed<br>assets | Investments | Net<br>current<br>assets | Total        |
|-----------------------|-----------------|-------------|--------------------------|--------------|
|                       | £000            | £000        | £000                     | £000         |
| Contingency fund      | -               | 713         | 263                      | 976          |
| Capital projects fund | 3,105           | -           | -                        | 3,201        |
| General fund          | 375             | -           | 631                      | 910          |
|                       | <u>3,480</u>    | <u>713</u>  | <u>894</u>               | <u>5,087</u> |

## 17. Capital Commitments

|                                   | 2007<br>£000 | 2006<br>£000 |
|-----------------------------------|--------------|--------------|
| Capital commitments               | 797          | 73           |
| Authorised but not contracted for | 9            | 10           |

**18. Related Party Transactions**

The Union provides a grant £24,000 (2005/06: £26,494) from its funds to HUSSO SCA, an associated charity responsible for Community Action whose Vice-President is also a member of the Union Executive Committee. At the year-end HUSSO owed the Union £10,621 (2005/06: £1,511).

The Chairperson of the Union sits on the University Council and Senate among others.

There are a number of transactions between the University and the Union including provision of a grant (subvention) of £820,969 (2005/06: £695,567) to enable the Union to continue to achieve its objectives and provision of support. However, the Union was by the same terms obliged to pay rent of £332,518 (2005/06: £322,727) in total.

Balances owing/due at the year end with the University of Hull:

|          | 2007   | 2006    |
|----------|--------|---------|
|          | £000   | £000    |
| Due from | 9,318  | 13,749  |
| Owing to | 26,698 | 182,258 |

**19. Contingent Liabilities**

There are no contingent liabilities.

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**Affiliations passed 2006/2007**

| Who For   | Amount (£) | Date     |
|---|------------|----------|
| Yorkshire RFU Society of Referees - Men's Rugby Union         | 207.00     | 06/09/06 |
| Yorkshire RFU Society of Referees - Women's Rugby Union       | 103.50     | 06/09/06 |
| East Riding County Women's League - Women's Football          | 65.00      | 24/08/06 |
| BUSA  | 8169.36    | 23/08/06 |
| East Riding County FA Ltd - Women's Football                  | 24.00      | 27/08/06 |
| England Hockey - Men's Hockey                                 | 279.13     | 27/09/06 |
| England Hockey - Women's Hockey                               | 279.00     | 27/09/06 |
| BCPA - Skydiving  | 35.00      | 28/09/06 |
| Humberside County Netball Association - Netball Squad         | 150.00     | 27/09/06 |
| LUAU - Netball Squad  | 25.00      | 24/10/06 |
| BUSA - Volleyball   | 121.00     | 24/10/06 |
| Scarborough & District Football League - Scarborough Football | 55.00      | 13/11/06 |
| Kings Ski Club - Ski  | 150.00     | 10/11/06 |
| Student Rugby League - Rugby League                           | 195.00     | 05/09/06 |
| BSAFA - American Football                                     | 650.00     | 22/09/06 |
| BUSA - Volleyball   | 16.00      | 20/11/06 |
| British Mountaineering Council - Mountaineering               | 115.00     | 20/11/06 |
| BUSA North East & Yorkshire - BUSA                            | 15.00      | 18/10/06 |
| Amateur Rowing Association - Boat                             | 140.00     | 08/11/06 |
| BUSC 2007 - Ski   | 150.00     | 21/11/06 |
| UCTBA - Ten Pin Bowling                                       | 120.00     | 01/11/06 |
| Hull & District Badminton League - Badminton                  | 20.00      | 16/01/07 |
| National Union of Students (NUS)                              | 20225.20   | 22/01/07 |
| Amnesty International   | 21.00      | 22/02/07 |
| Medsin UK - Medsin  | 60.00      | 12/04/07 |
| East Riding County FA - Men's Football                        | 117.00     | 30/05/07 |
| UBU - Men's Football  | 20.00      | 05/06/07 |
| Badminton England - Badminton                                 | 198.00     | 06/07/07 |
| BSAFA - American Football                                     | 892.50     | 07/02/07 |
| ASANER - Swimming   | 91.50      | 23/07/07 |
| AENA Ltd - Netball Squad                                      | 140.00     | 31/07/07 |

This page does not form part of the audited financial statements.